

	Commodities	Inflation-Linked Bonds (ILB)	Infrastructure	Forestland
Investment Policies	Approved	Approved	The second reading of the Infrastructure Policy with changes was submitted to the Policy Committee on 6/16/08. The amended policy will be submitted to the IC on 8/18/08.	Approved. Subject to Committee approval in September 2008, policy would be revised to include agricultural land.
Staffing and Organization	Existing Commodities PM position - transferred from Global Fixed Income (GFI) in March 2008.	GFI Unit continues to staff this investment area; agreement between SIO's GFI and Asset Allocation completed in January 2008.	Five candidates have been interviewed for the SPM-Infrastructure position and we expect to make an offer in August and fill the position in September 2008. The PM recruitment is now set to commence in August. Interviews for IO III-Forestland were conducted the week of July 21 and this position is expected to be filled in August or September 2008. More thought would be needed on the best way to combine the responsibilities among the Infrastructure, Forestland and Commodities areas. We expect to finalize this after these positions are filled. Until then the Commodities PM has been asked to assist with the Forestland activities.	
Delegations	Approved by Board 2/21/08.	Approved by Board 2/21/08.	To be submitted in September, 2008.	To be submitted in September, 2008.
Incentive Plan	Approved	Approved	To be presented once staff is hired.	To be presented once staff is hired.
Investment Implementation	Commodities increased to \$1.2 billion in May 2008. Portfolio is currently valued at \$1.5 billion as of June 30, 2008.	ILB portfolio currently has \$1.5 billion in U.S. and non-U.S. inflation-linked bonds.	Pending approval of policy, delegation and staffing. Staff has developed an extensive deal log of fund offerings and will be prepared to consider commitments subject to due diligence in the 4th quarter of 2008.	The due diligence on the acquisition of the New Zealand property by Sylvanus Partners has been completed. This transaction is pending. The Campbell Opportunity Timber Fund in which CalPERS is an investor, is pursuing acquisition of timberland in the southern U.S. This will be discussed in closed session. Inclusive of the above transactions exposure to Forestland will be under the 1% target with ILAC.
Total ILAC Investments	Valued at \$4.7 billion as of June 30, 2008 or 2.0% of total fund. The target is 2.0% of total fund by December 31, 2008.			
Consultant Pool	RFP for Commodities, Infrastructure and Forestland has been finalized and issued on July 31, 2008. Consultants are expected to be selected and recommended at October 2008 Board meeting, with work beginning in 2009.			